

*Washington, DC* - Congressman Maurice Hinchey (D-NY) today released the following statement regarding House passage of a financial rescue package for the U.S. auto industry. The congressman voted for the measure.

"I am very frustrated by the circumstances that led to a situation where Congress needed to craft a financial rescue bill for the U.S. auto industry. Through a combination of deregulation, speculative manipulation of investments, irresponsible tax cuts for millionaires and corporations, an illegal and expensive invasion and occupation of Iraq, and an overall budget policy that doubled the national debt and resulted in record budget deficits, the Bush administration has helped create the worst economic crisis this country has faced since the Great Depression. Those policies have made it very difficult for middle class Americans to get by on a daily basis let alone achieve the American Dream. To make matters worse, the U.S. auto industry was run almost as poorly as the Bush administration ran the federal government. By aggressively opposing congressional efforts to mandate higher fuel efficiency standards and ignoring the obvious potential to establish the U.S. as a leader in fuel efficient vehicles and instead focusing on building bigger SUVs and Hummers, the U.S. auto industry is largely to blame for its current situation. This combination of ineptitude at the White House and the Big Three has led us to this unfortunate moment.

"I understand the view of those who feel the U.S. auto industry should suffer the consequences of its poor business model, but I think it is absolutely necessary for Congress to act in a way that protects the more than 2.2 million auto industry jobs in the U.S., including the more than 82,000 jobs in New York. The U.S. economy has already lost 1.9 million jobs this year and the complete collapse of the auto industry would more than double that figure in a single swoop. Allowing the Big Three to go under would result in extraordinary hardship for its workers and their families and would put a much greater strain on the overall U.S. economy. Through the loan package approved today, Congress has provided financing that will enable the U.S. auto industry to restructure and develop a plan toward long-term viability that should keep those workers employed.

"While it was not easy for me to vote for this measure, it would have been much harder to watch more than 2.2 million hard-working Americans, most of whom are middle class people trying to make an honest living and provide for their family, lose their job overnight if these automobile companies were to go out of business. I am pleased that this measure contains a wide array of accountability provisions that will prevent corporate abuse and ensure that this money is put to good use with the goal of making the auto industry more focused on fuel efficient vehicles. It is also important to remember that these funds are being provided in the form of a loan, not a grant. With the various accountability provisions in place, I am hopeful and optimistic that these

funds will be repaid to the federal government along with interest that will result in a net gain for taxpayers."